

Message Text

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ACTION PM-04

INFO OCT-01 NEA-10 ISO-00 INR-07 SS-15 OMB-01 IGA-02
TRSE-00 ACDA-07 MC-02 L-03 EB-08 CIAE-00 NSAE-00 /060 W
-----010805 086020 /14
R 010545Z MAR 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 1434

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E.O. 11652: N/A

TAGS: MASS IR

SUBJ: TOW AND MAVERICK CO-PRODUCTION AGREEMENTS

1. WE HAVE BEEN ADVISED BY HUGHES THAT ON FEBRUARY 21, TWO LICENSE AND TECHNICAL ASSISTANCE AGREEMENTS COVERING CO-PRODUCTION OF TOW AND MAVERICK WERE ENTERED INTO BETWEEN HUGHES (ADVANCED ELECTRONICS SYSTEMS INTERNATIONAL) AND THE GOI (IRAN ELECTRONICS INDUSTRIES). THIS MARKS A SIGNIFICANT STEP FORWARD IN THE MORE THAN TWO YEARS OF NEGOTIATIONS DEVOTED TO TRYING TO WORK OUT CO-PRODUCTION ARRANGEMENTS.

2. IN ESSENCE, WHAT HAS BEEN ACHIEVED IS A COMMITMENT FOR UP TO A YEAR TO NEGOTIATE IN GOOD FAITH WITH RESPECT TO THE MYRIAD OF DETAILS RELATED TO CO-PRODUCTION, FOR EXAMPLE, HARDWARE, FACTORY SUPPORTED SERVICES, DOCUMENTATION, AND ORDNANCE. HUGHES IS IMMEDIATELY TO RECEIVE THREE-QUARTERS OF A MILLION DOLLARS FROM THE TOW AGREEMENT AND ONE MILLION DOLLARS FROM THE MAVERICK AGREEMENT WHICH, ASSUMING GOOD FAITH NEGOTIATIONS DURING THE PERIOD UP TO APRIL 19, 1978, IS NOT REFUNDABLE. SHOULD THE FEBRUARY 21 AGREEMENT NOT LEAD PRIOR TO APRIL 1, 1978 TO THE ADDITIONAL AGREEMENTS REQUIRED, THE DOCUMENTS SIGNED
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FEBRUARY 21 "SHALL BECOME AUTOMATICALLY TERMINATED AS OF APRIL 1, 1978."

3. THE TWO FEBRUARY 21 DOCUMENTS WILL NOW BE SUBMITTED TO THE OFFICE OF MUNITIONS CONTROL FOR THE PRESCRIBED NINETY-DAY PERIOD OF REVIEW. HUGHES DOES NOT BELIEVE THIS WILL LEAD TO ANY DIFFICULTIES

SINCE THE AGREEMENTS REACHED ARE SUBSTANTIALLY THE SAME AS DRAFTS REVIEWED BY MUNITIONS CONTROL IN OCTOBER OF 1975. AT THAT TIME HUGHES INFORMS US THE INFORMAL MC VIEW WAS THAT IF AGREEMENT WERE TO BE REACHED ON THE BASIS OF THE DRAFTS, THERE WOULD BE AN INCLINATION TO APPROVE THEM.

4. HUGHES IS QUITE HEARTENED BY THE SPEED WITH WHICH EVENTS MOVED IN 1977 SINCE ITS PROGNOSIS IN LATE 1976 WAS THAT MANY MONTHS OF NEGOTIATIONS WOULD STILL BE REQUIRED, AND EVEN THEN HUGHES WAS NOT ENTIRELY SANGUINE THAT SUCH EFFORTS WOULD LEAD TO SUCCESS. ALTHOUGH HEARTENED BY THE SPEED OF MOVEMENT IN FEBRUARY, HUGHES BELIEVES IT WILL PROBABLY BE SOME NUMBER OF MONTHS BEFORE THE NEW NEGOTIATIONS MOVE FORWARD.
MIKLOS

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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TAGS: MASS, IR
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